

IN THE MATTER OF INTEREST ARBITRATION

BETWEEN)
)
THE CITY OF MAQUOKETA, IOWA,)
) Hugh J. Perry, Arbitrator
PUBLIC EMPLOYER,)
)
AND)
) Award issued: March 29, 2011
)
INTERNATIONAL UNION OF OPERATING)
ENGINEERS LOCAL #234,)
)
EMPLOYEE ORGANIZATION.)

APPEARANCES:

For City of Maquoketa: William J. Sueppel, Attorney
For IUOE Local #234: MacDonald Smith, Attorney

BACKGROUND

IUOE Local #234 represents a bargaining unit of 5 employees in the public works department of the City of Maquoketa. Local 234 has represented these employees since the contract July 1, 2008 - June 30, 2009. Prior to that these employees bargained with the police employees. The current contract runs from July 1, 2009 to June 30, 2011. This bargaining year the parties have resolved all impasse issues for the new contract for the period July 1, 2011 - June 30, 2012 except for **Wages and Overtime** (the amount of compensatory time off which can be accumulated). An issue involving insurance was resolved shortly before this hearing. There is another bargaining unit in the City comprised of police employees which has settled its contract. A hearing was held at the Maquoketa City Hall on March 15, 2011. Following the submission of written exhibits and oral arguments, the hearing was closed on that date. The parties have agreed to extend the impasse time lines to allow for completion of arbitration. This award is to be issued no later than March 30, 2011. In making this award, I have considered the criteria contained in Section 20.22 (9) of the Iowa Public Employment Relations Act. After considering this criteria in light of the facts of this case, I am obligated to select the proposal of the party on each impasse issue which I deem the most reasonable.

IMPASSE ISSUES

The Impasse Issues before the Arbitrator are : **Wages** and **Overtime** for the contract July 1, 2011 to June 30, 2012.

PROPOSALS OF THE PARTIES

CITY PROPOSALS:

Wages: A 2.25% wage increase.

Overtime: Current language of the contract should continue (maximum accumulation of compensatory time off to remain at 40 hours).

UNION PROPOSALS:

Wages: A 2.50% wage increase.

Overtime: Maximum accumulation of compensatory time off increased to 56 hours.

WAGES - CURRENT CONTRACT

The current contract provides for the following wage schedule:

<i>Operator and Park Maintenance</i>	<i>2010</i>	<i>Skilled Operator</i>
Base	\$12.81	
6 month	5% \$13.45	
1 yr.	5% \$14.12	
2 yr.	3.5% \$14.62	\$17.06
3 yr.	3.5% \$15.13	\$17.65 3.5%
4 yr.	3.5% \$15.66	\$18.27 3.5%
6 yr.	4% \$16.28	\$18.91 3.5%
8 yr.	4% \$16.94	\$19.67 4%

Last year these employees received a 3.5% wage increase. The wage increases for these employees have averaged 3.35% for the last seven years. The average wage in the unit is \$18.61/hour. Wages range from a low of \$15.13/hour to a high of \$19.67/hour. Three employees are at the maximum wage of \$19.67/hour. One is at \$18.91/hour and one is at \$15.31/hour.

ARGUMENTS OF THE PARTIES

The City argues that a 2.25% wage adjustment is reasonable this bargaining year. For purposes of making comparisons, the City used the Iowa cities of Comanche, Iowa Falls, Independence, Webster City, DeWitt, Oelwein, Hiawatha, Vinton, Mr. Vernon and Lisbon. These Cities range in population of 4,171 in Mt. Vernon to 8,176 in Webster City. Maquoketa has a population of 6,112. Wage settlements this bargaining year among these cities ranged from a low of

1.25% in Webster City to a high of 3% in Lisbon. (Independence has a 3.25% wage adjustment for the second year of a 3 year contract.) The City points out that its wage offering is right in line with the average increases in these communities. The City contends that its wage range for these employees is consistent with that of the other cities. Further, the City notes that its police employees settled for a 2.25% wage increase to take effect July 1, 2011. It argues that to give this bargaining unit a greater wage increase as requested by the Union could create problems between these employees and deter future voluntary settlements. The City advanced data which indicated that the two parties were \$500 apart in their wage positions and that awarding either position would add some \$4000 to the wage cost over the current wages. While the difference in the parties' wage positions is a modest, \$500, the City contended that it was not yet out of economic trouble. Unemployment in the area is at the highest level in the state, 9.1%, the City is taxing at its maximum limit and the road use fund is stagnant. The City noted that the increased cost of living for 2011 is running a modest, 1.6%.

The **Union** argues that a 2.5% wage adjustment is reasonable this year. It used the same comparability group as the City except without Comanche and Lisbon. Its data indicated wage settlements among these cities averaged 2.23% with Iowa Falls and Mt. Vernon still negotiating. The settlements ranged from a high in Independence (3.9%, 3rd year of 3 year contract - note that this does not agree with City's figures), to 2.5% in Dewitt and Vinton to a low of 1.25% in Webster City. The Union contended that these employees shouldn't be tied to the police employees, that the nature of these employees' work is different. It noted that its proposal was very modest, only \$500 more than the City's wage proposal and that the proposal of neither party would affect the relative standing of these employees.

DISCUSSION

The difference between the parties' wage proposals is negligible. I am inclined toward the City's position for a number of reasons: It fits within the average of settlements in the other comparable communities. It is consistent with the City's settlement with its police employees. While there may be years when divergent settlements are justified, I have not been persuaded that this is such a year. To award these employees a greater wage increase than the police employees who settled voluntarily could disparage future voluntary settlements. The increase in the cost of living for 2011 thus far is a modest 1.6%. While there may be light at the end of the recessionary tunnel, unemployment in this area is still high. The City's finances are stretched and it is at its taxing limit. While the City is not arguing that it cannot pay the Union wage asking, it contends that it shouldn't be required to this bargaining year. I agree. A 2.25% wage increase for these employees will not diminish their relative wage standing. Considering the circumstances, it is a fair adjustment and the most reasonable of the proposals before me.

OVERTIME - CURRENT CONTRACT

The contract provides that these employees may accumulate compensatory time off in lieu of standby or overtime pay up to a maximum of 40 hours. Such time off is taken at the discretion

of the department head. When ordered to be taken by the City or requested to be taken by an employee, reasonable advance notice, normally at least three days, is required. Currently, two of the five employees are at the 40 hour maximum.

ARGUMENTS OF THE PARTIES

The **City** urges that the current contract language which limits compensatory time off to a maximum accumulation of 40 hours should continue. It notes a wide range among comparable cities from unlimited accumulation in Comanche (with no carryover) to 160 hours maximum in DeWitt, 80 hours maximum in Mt. Vernon. Iowa Falls and Comanche do not provide for compensatory time off. The City argues that based upon current accumulations there is no great need to expand this benefit. Further, in a small work unit such as this, when one employee is absent it creates problems with assigning work and getting jobs completed. Also, the police unit has the same 40 hour cap on compensatory time accumulation. The Union has not demonstrated any great need to expand this benefit. It should continue at 40 hours.

The **Union** argues that with two employees at maximum accumulation, this benefit should be expanded to 56 hours. The City has control over who takes compensatory time off and when it is taken. Adding 16 additional hours to the maximum compensatory time off cap wouldn't cost the City anything. Expanding this benefit would not impose economic or scheduling burdens on the City.

DISCUSSION

The data submitted suggests a wide variety of practices among comparable cities on this issue. Some allow unlimited compensatory time off but don't allow it to be carried over. Some allow accumulations much greater than Maquoketa. Some do not allow compensatory time off to be accumulated at all. I am not persuaded that the Union has made a persuasive case to change existing contract language. While it may be true that there is not a dollar for dollar cost in using compensatory time off, such could present scheduling concerns in such a small unit of employees. This cap on compensatory time off accumulation was apparently agreed to by the parties and has existed for some time. Absent a strong reason to expand it, the cap should continue into the next contract.

AWARD

WAGES: The proposal of the City is awarded, a 2.25% wage increase July 1, 2011.

OVERTIME: The proposal of the City is awarded. Current contract language-40 hour cap on compensatory time off accumulation should continue.

Signed this 29th day of March, 2011


Hugh J. Perry, Arbitrator

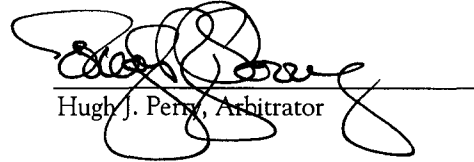
CERTIFICATE OF SERVICE

I certify that on the 29th day of March, 2011, I served the foregoing Award of Arbitrator upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

William J. Sueppel
Attorney At Law
122 South Linn Street
Iowa City, IA 52240

MacDonald Smith
Attorney At Law
P.O. Box 1194
Sioux City, IA 51102

I further certify that on the 29th day of March, 2011, I will submit this award for filing by mailing it to the Iowa Public Employment Relations Board, 510 East 12th Street, Suite 1B, Des Moines, Iowa 50319.



Hugh J. Perry, Arbitrator